



**DEPARTMENT OF DEFENSE**

**GENERAL SERVICES ADMINISTRATION**

**NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

48 CFR Parts 1, 2, 3, 4, 6, 7, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 25, 26, 28, 32, 42, 50, 52, and 53

[FAR Case 2014-022; Docket No. 2014-0022; Sequence No. 1]

RIN: 9000-AM80

**Federal Acquisition Regulation; Inflation Adjustment of Acquisition-Related Thresholds**

**AGENCIES:** Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

**ACTION:** Proposed rule.

**SUMMARY:** DoD, GSA, and NASA are proposing to amend the Federal Acquisition Regulation (FAR) to further implement the inflation adjustment of acquisition-related dollar thresholds. A statute requires an adjustment every five years of acquisition-related thresholds for inflation using the Consumer Price Index for all urban consumers, except for the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, and trade agreements thresholds. DoD, GSA, and NASA are also proposing to use the same methodology to adjust nonstatutory FAR acquisition-related thresholds in 2015.

**DATES:** Interested parties should submit written comments to the Regulatory Secretariat at one of the addresses shown below on or before **[Insert 60 days after publication in the FEDERAL REGISTER]** to be considered in the formation of the final rule.

**ADDRESSES:** Submit comments in response to FAR Case 2014-022 by any of the following methods:

- Regulations.gov: <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by searching for "FAR Case 2014-022". Select the link "Comment Now" that corresponds with "FAR Case 2014-022." Follow the instructions provided at the "Comment Now" screen. Please include your name, company name (if any), and "FAR Case 2014-022" on your attached document.
- Fax: 202-501-4067.
- Mail: General Services Administration, Regulatory Secretariat (MVCB), ATTN: Ms. Flowers, 1800 F Street, NW., 2<sup>nd</sup> Floor, Washington, DC 20405.

Instructions: Please submit comments only and cite FAR Case 2014-022, in all correspondence related to this case. All comments received will be posted without change to

<http://www.regulations.gov>, including any personal and/or business confidential information provided.

**FOR FURTHER INFORMATION CONTACT:** Mr. Michael O. Jackson, Procurement Analyst, at 202-208-4949, for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202-501-4755. Please cite FAR Case 2014-022.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

This rule proposes to amend multiple FAR parts to further implement 41 U.S.C. 1908. Section 1908 requires an adjustment every five years (on October 1 of each year evenly divisible by five) of statutory acquisition-related thresholds for inflation, using the Consumer Price Index (CPI) for all urban consumers, except for the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, and trade agreements thresholds (see FAR 1.109). As a matter of policy, DoD, GSA, and NASA are also proposing to use the same methodology to adjust nonstatutory FAR acquisition-related thresholds on October 1, 2015.

This is the third review of FAR acquisition-related thresholds since the statute was passed on October 28, 2004 (section 807 of the Ronald W. Reagan National Defense

Authorization Act for Fiscal Year (FY) 2005). The last review was conducted under FAR Case 2008-024 during FY 2010. The final rule was published in the Federal Register at 75 FR 53129 on August 30, 2010, and was effective October 1, 2010.

## **II. Analysis.**

### **A. What is an acquisition-related threshold?**

This case builds on the review of FAR thresholds in FY 2005 and FY 2010, using the same interpretation of an acquisition-related threshold. 41 U.S.C. 1908 is applicable to "a dollar threshold that is specified in law as a factor in defining the scope of the applicability of a policy, procedure, requirement, or restriction provided in that law to the procurement of property or services by an executive agency, as the FAR Council determines."

There are other thresholds in the FAR that, while not specified in law, nevertheless meet all the other criteria. These thresholds may have their origin in Executive order or regulation. Therefore, the FAR Council has determined, that in this case, "acquisition-related threshold" has a broader meaning, i.e., a threshold that is specified in law, Executive order, or regulation as a factor in defining the scope of the applicability of a policy, procedure, requirement, or restriction provided in that law, Executive

order, or regulation to the procurement of property or services by an Executive agency. DoD, GSA, and NASA conclude that acquisition-related thresholds are generally tied to the value of a contract, subcontract, or modification.

Examples of thresholds that are not "acquisition-related," as defined in this case, are thresholds relating to claims, penalties, withholding, payments, required levels of insurance, small business size standards, liquidated damages, etc. This rule does not address thresholds that are not acquisition-related.

**B. What acquisition-related thresholds are not subject to escalation adjustment under this case?**

41 U.S.C. 1908 does not permit escalation of acquisition-related thresholds established by the Construction Wage Rate Requirements statute (Davis Bacon Act), the Service Contract Labor Standards statute, or the United States Trade Representative pursuant to the authority of the Trade Agreements Act of 1979.

Also, the statute does not authorize the FAR to escalate thresholds originating in Executive order or the implementing agency (such as the Department of Labor or the Small Business Administration), unless the Executive order or agency regulations are first amended.

**C. How do the Defense Acquisition Regulations Council and the Civilian Agency Acquisition Council (the Councils) analyze a statutory acquisition-related threshold?**

If an acquisition-related threshold is based on statute, the matrix at <http://acquisition.gov/far/facsframe.html> identifies the statute and the statutory threshold, including the original threshold and any FAR revisions.

With the exception of thresholds set by the Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, and the United States Trade Representative pursuant to the authority of the Trade Agreements Act of 1979, 41 U.S.C. 1908 requires that the FAR Council adjust the acquisition-related thresholds for inflation using the CPI for all urban consumers. Acquisition-related thresholds in statutes that were in effect on October 1, 2000, are only subject to escalation from that date forward. For purposes of this proposed rule, the matrix includes calculation of escalation based on the estimated CPI value for March 2015 (currently estimated at 243.0) divided by the CPI for the date of enactment of the statute or regulation (October 2000, for statutes enacted prior to October 1, 2000). The

Councils will subsequently adjust as necessary before issuance of the final rule.

Once the escalation factor is applied to the acquisition-related threshold, then the threshold must be rounded as follows:

< \$10,000	Nearest \$500;
\$10,000 - <\$100,000	Nearest \$5,000;
\$100,000 - <\$1,000,000	Nearest \$50,000;
\$1,000,000 or more	Nearest \$500,000.

The calculations in this proposed rule are all based on the base year amount, because escalated amounts in the 2010 rule were subject to rounding and using those amounts as the base would distort future calculations.

In 2010, some thresholds (e.g., \$3,000), although subject to inflation calculation, did not actually change, because the inflation in 2010 was insufficient to overcome the rounding requirements i.e., the escalation factor, when applied, did not cause the escalated values to be high enough to round to the next higher value. However, in FY 2015, thresholds that did not escalate in 2010 will now escalate because of five additional years of inflation. Likewise, some thresholds that were escalated in 2010 (e.g., \$150,000) will not escalate in 2015.

The thresholds for defining a major system were previously stated in FY 1990 constant dollars for DoD and in FY 1980 constant dollars for civilian agencies. The 2005 rule converted the base year for these major system thresholds to 2004 dollars, that were then adjusted in October 2005 and also adjusted in October 2010. Although the FAR will continue to escalate the major systems threshold for the civilian agencies, DoD has determined that for DoD, the major systems thresholds in the FAR must be consistent with the major systems thresholds in DoD Instruction 5000.02, established in accordance with the authority in 10 U.S.C. 2302d(c)(1). This allows the Secretary of Defense to adjust the amounts (and the base fiscal year) provided in subsection (a) on the basis of DoD escalation rates (rather than the CPI for all urban consumers). The revised figures were calculated by the DoD Comptroller, and coordinated with the Cost Assessment and Program Evaluation (CAPE) Office and the DoD General Counsel. In accordance with 10 U.S.C. 2302d(c)(3), DoD reported these thresholds to Congress in December 2013.

This proposed rule has been coordinated with the Department of Labor and the Small Business Administration in areas of the regulation for which they are the lead agency. As appropriate, any changes to cost accounting



standards (CAS) thresholds will be coordinated with the CAS Board and addressed under a separate case.

**D. How do the Councils analyze a nonstatutory acquisition-related threshold?**

No statutory authorization is required to escalate thresholds that are policy-based within the FAR. For consistency, escalation of the FAR policy acquisition-related thresholds is recommended using the same formula applied to the statutory thresholds, unless there is a valid reason for not doing so.

**E. What is the effect of this proposed rule on the most heavily-used thresholds?**

This rule includes the following proposed changes to heavily-used thresholds:

- The micro-purchase threshold of \$3,000 (FAR 2.101) will increase to \$3,500. The Title 41 recodification (Public Law 111-350, enacted January 4, 2011) relocated the micro-purchase authorization to 41 U.S.C. 1902, and raised the micro-purchase threshold to \$3,000 (equivalent to the escalated value in the FAR). However, as Congress stated in House Report 111-42, the recodification statute did not intend to make any substantive changes, therefore the inflation calculation will continue

to be calculated based on the October 2000 amount of \$2,500, not the January 2011 value of \$3,000.

- The simplified acquisition threshold (FAR 2.101) of \$150,000 will not change.
- The FedBizOpps preaward and post-award notices (FAR Part 5) remain at \$25,000 because of trade agreements.
- Commercial items test program ceiling (FAR 13.500) will increase from \$6.5 million to \$7 million.
- The cost or pricing data threshold (FAR 15.403-4) will increase from \$700,000 to \$750,000.
- The prime contractor subcontracting plan (FAR 19.702) floor will increase from \$650,000 to \$700,000, but the construction threshold of \$1.5 million will not change.
- The threshold for reporting first-tier subcontract information including executive compensation will increase from \$25,000 to \$30,000 (FAR subpart 4.14 and section 52.204-10).

This proposed rule is based on a projected CPI of 243 for March 2015. If the actual CPI for March 2015 is higher than 243, then additional statutory thresholds may be subject to escalation in the final rule, even though not included in the proposed rule.

**F. Other changes in the rule.**

- FAR 12.102(g) is being deleted as obsolete.
- The \$30,000 threshold at FAR 13.106-2(c)(2) and (d) returns to \$25,000 to harmonize with the

5.101(a)(1)

threshold for synthesizing preaward notices in FedBizOpps.

**III. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity).

E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

**IV. Regulatory Flexibility Act**

DoD, GSA, and NASA do not expect this rule to have a significant economic impact on a substantial number of

small entities within the meaning of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., because the rule maintains the status quo by adjusting thresholds for actual inflationary increases in the CPI. However, an Initial Regulatory Flexibility Analysis has been performed and is summarized as follows:

This rule will amend the Federal Acquisition Regulation to implement 41 U.S.C. 1908 and to amend other acquisition-related dollar thresholds that are based on policy rather than statute in order to adjust for the changing value of the dollar. 41 U.S.C. 1908 requires adjustment every five years of statutory acquisition-related dollar thresholds, except for Construction Wage Rate Requirements statute (Davis-Bacon Act), Service Contract Labor Standards statute, and trade agreements thresholds. While reviewing all statutory acquisition-related thresholds, this case presented an opportunity to also review all nonstatutory acquisition-related thresholds in the FAR that are based on policy.

The objective of the case is to maintain the status quo, by adjusting acquisition-related thresholds for inflation. The legal basis is 41 U.S.C. 1908. The statute does not authorize the FAR to escalate thresholds originating in Executive orders or the implementing agency (such as the Department of Labor or the Small Business Administration), unless the Executive order or agency regulations are first amended.

This rule will have a minimal impact on small business concerns that submit offers or are awarded contracts by the Federal Government. However, most of the threshold changes proposed in this rule are not expected to have any significant economic impact on small business concerns because the threshold changes are intended to maintain the status quo by adjusting for changes in the value of the dollar. Often any impact will be beneficial, by preventing burdensome requirements from applying to more and more acquisitions, as the dollar loses value.

One threshold change in this rule which may temporarily impact small business concerns is the increase in the micro-purchase threshold (FAR 2.101) from \$3,000 to \$3,500. This will temporarily narrow the dollar range within which acquisitions are automatically set aside for small business concerns, because the simplified acquisition threshold of \$150,000 will not increase at this time. To assess the impact of the increase in the micro-purchase threshold from

\$3,000 to \$3,500, data was requested from FPDS-NG. For FY 2013, there were 83,951 contracts and calls/orders between \$3,000 and \$3,500, with a value of \$272,567,926. Of these actions, 34,828 (value of \$113,280,333) were awarded to small business concerns. DoD, GSA, and NASA expect that many of these awards will still go to small business concerns, even if there is no longer a requirement to automatically set the procurement aside for small business concerns.

The rule does not impose any new reporting, recordkeeping, or compliance requirements. Changes in thresholds for approved information collection requirements are intended to maintain the status quo and prevent those requirements from increasing over time.

The rule does not duplicate, overlap, or conflict with any other Federal rules.

There are no practical alternatives that will accomplish the objectives of the statute.

The Regulatory Secretariat has submitted a copy of the IRFA to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the IRFA may be obtained from the Regulatory Secretariat. DoD, GSA, and NASA invite comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD, GSA, and NASA will also consider comments from small entities concerning the existing regulations in subparts affected by the rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (FAR Case 2014-022), in correspondence.

## **V. Paperwork Reduction Act**

The Paperwork Reduction Act does apply. The proposed changes to the FAR do not impose new information collection requirements that require the approval of the Office of Management and Budget (OMB) under 44 U.S.C. 3501, et seq. By adjusting the thresholds for inflation, the status quo for the current information collection requirements are maintained under the following OMB clearance numbers:

9000-0006, titled: Subcontracting Plans/Individual Subcontract Report (SF 294); 9000-0007, titled: Summary Subcontract Report; 9000-0094, titled: Debarment and Suspension; 9000-0164, titled: Contractor Business Ethics Compliance Program and Disclosure Requirements; 9000-0177, titled: Reporting Executive Compensation and First-tier Subcontract Awards; 1250-0004, titled: OFCCP Recordkeeping and Reporting Requirements-38 U.S.C. 4212, Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; and 1293-0005, titled: Federal Contractor Veterans Employment Report, VETS-100/VETS-100A.

**List of Subjects in 48 CFR Parts 1, 2, 3, 4, 6, 7, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 25, 26, 28, 32, 42, 50, 52, and 53**

Government procurement.

Dated: November 13, 2014.

William Clark,  
Acting Director,  
Office of Government-wide  
Acquisition Policy,  
Office of Acquisition Policy,  
Office of Government-wide Policy.

Therefore, DoD, GSA, and NASA propose amending 48 CFR parts 1, 2, 3, 4, 6, 7, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 25, 26, 28, 32, 42, 50, 52, and 53 as set forth below:

1. The authority citation for 48 CFR parts 1, 2, 3, 4, 6, 7, 8, 9, 10, 12, 13, 15, 16, 17, 19, 22, 25, 26, 28, 32, 42, 50, 52, and 53 continues to read as follows:

**AUTHORITY:** 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 51 U.S.C. 20113.

## **PART 1—FEDERAL ACQUISITION REGULATIONS SYSTEM**

### **1.109 [Amended]**

2. Amend section 1.109 by removing from paragraph (d) "FAR Case 2008-024" and adding "FAR Case 2014-022" in its place.

## **PART 2—DEFINITIONS OF WORDS AND TERMS**

3. Amend section 2.101, in paragraph (b)(2) by:

a. Revising paragraph (1) of the definition "Major System";

b. In the definition "Micro-purchase threshold" by removing from the introductory text "\$3,000" and adding "\$3,500" in its place, and removing from paragraph (3)(i) "\$15,000" and adding "\$20,000" in its place;

c. In the definition "Simplified acquisition threshold" by removing from the introductory text "\$150,000," and adding "\$150,000 (41 U.S.C. 134)," in its



place; removing from paragraph (1) "\$300,000" and adding "\$350,000" in its place; and removing from paragraph (2) "\$1 million" and adding "\$1.5 million" in its place; and

d. In the definition "Small business subcontractor" by removing from paragraphs (1) and (2) "\$10,000" and adding "\$15,000" in their places.

The revised text reads as follows:

**2.101 Definitions.**

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

Major system \* \* \*

(1) The Department of Defense is responsible for the system and the total expenditures for research, development, test, and evaluation for the system are estimated to be more than \$185 million based on Fiscal Year 2014 constant dollars or the eventual total expenditure for the acquisition exceeds \$835 million based on Fiscal Year 2014 constant dollars (or any update of these thresholds based on a more recent fiscal year, as specified in the DoD Instruction 5000.02, "Operation of the Defense Acquisition System");

\* \* \* \* \*

**PART 3—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS  
OF INTEREST**

**3.1004 [Amended]**

4. Amend section 3.1004 by removing from paragraphs (a), (b) (1) (i), and (b) (3) "\$5,000,000" and adding "\$5.5 million" in their places.

**PART 4—ADMINISTRATIVE MATTERS**

**4.605 [Amended]**

5. Amend section 4.605 by removing from paragraphs (c) (2) (i) and (ii) "\$25,000" and adding "\$30,000" in their places.

**4.1102 [Amended]**

6. Amend section 4.1102 by removing from paragraph (a) (6) "\$25,000" and adding "\$30,000" in its place.

**4.1401 [Amended]**

7. Amend section 4.1401 by removing from paragraph (a) "\$25,000" and adding "\$30,000" in its place.

8. Amend section 4.1403 by revising paragraph (a) to read as follows:

**4.1403 Contract clause.**

(a) Except as provided in paragraph (b) of this section, the contracting officer shall insert the clause at 52.204-10, Reporting Executive Compensation and First-Tier

Subcontract Awards, in all solicitations and contracts of \$30,000 or more.

\* \* \* \* \*

## **PART 6—COMPETITION REQUIREMENTS**

### **6.204 [Amended]**

9. Amend section 6.204 by removing from paragraph (b) "\$20 million" and adding "\$22.5 million" in its place.

### **6.302-5 [Amended]**

10. Amend section 6.302-5 by removing from paragraphs (b)(4) and (c)(2)(iii) "\$20 million" and adding "\$22.5 million" in their places.

### **6.303-1 [Amended]**

11. Amend section 6.303-1 by removing from paragraph (b), introductory text, "\$20 million" and adding "\$22.5 million" in its place.

### **6.303-2 [Amended]**

12. Amend section 6.303-2 by removing from the introductory text of paragraphs (b) and (d) "\$20 million" and adding "\$22.5 million" in their places.

### **6.304 [Amended]**

13. Amend section 6.304 by:

a. Removing from paragraph (a)(1) "\$650,000" and adding "\$700,000" in its place;

b. Removing from paragraph (a)(2) "\$650,000" and "\$12.5 million" and adding "\$700,000" and "\$14 million" in their places, respectively;

c. Removing from the introductory text of paragraph (a)(3) "\$12.5 million", "\$62.5 million", and "85.5 million" and adding "\$14 million", "\$70 million", and "\$95.5 million" in their places, respectively; and

d. Removing from paragraph (a)(4) "\$62.5 million" and "\$85.5 million" and adding "\$70 million" and "\$95.5 million" in their places, respectively.

## **PART 7—ACQUISITION PLANNING**

### **7.104 [Amended]**

14. Amend section 7.104 by:

a. Removing from paragraph (d)(2)(i)(A) "\$8 million" and adding "\$9 million" in its place; and

b. Removing from paragraph (d)(2)(i)(B) "\$6 million" and adding "\$6.5 million" in its place.

### **7.107 [Amended]**

15. Amend section 7.107 by removing from paragraph (b)(1) "\$94 million" and adding "\$104.5 million" in its place; and removing from paragraph (b)(2) "\$9.4 million" and "\$94 million" and adding "\$10.45 million" and "\$104.5 million" in their places, respectively.

## **PART 8—REQUIRED SOURCES OF SUPPLIES AND SERVICES**

**8.404 [Amended]**

16. Amend section 8.404 by removing from paragraph (b) (2) "\$500,000" and adding "\$550,000" in its place.

**8.405-3 [Amended]**

17. Amend section 8.405-3 by

- a. Removing from paragraphs (a) (3) (ii) and (iii) "\$103 million" and adding "\$115 million" in their places; and
- b. Revising paragraph (a) (7) (v).

The revision reads as follows:

(a) \* \* \*

(7) \* \* \*

(v) Determination for a single-award BPA exceeding \$115 million, if applicable (see paragraph (a) (3) (ii) of this section);

**8.405-6 [Amended]**

18. Amend section 8.405-6 by:

- a. Removing from paragraph (d) (1) "\$650,000" and adding "\$700,000" in its place;
- b. Removing from paragraph (d) (2) "\$650,000" and "\$12.5 million" and adding "\$700,000" and "\$14 million" in their places, respectively;
- c. Removing from the introductory text of paragraph (d) (3) "\$12.5 million", "\$62.5 million", and "\$85.5

million", and adding "\$14 million", "\$70 million" and "\$95.5 million" in their places, respectively; and

d. Removing from paragraph (d)(4) "\$62.5 million" and "\$85.5 million" and adding "\$70 million" and "\$95.5 million" in their places, respectively.

## **PART 9—CONTRACTOR QUALIFICATIONS**

### **9.104-5 [Amended]**

19. Amend section 9.104-5 by removing from paragraph (a)(2) "\$3,000" and adding "\$3,500" in its place.

### **9.104-7 [Amended]**

20. Amend section 9.104-7 by removing from paragraphs (b) and (c)(1) "\$500,000" and adding "\$550,000" in their places.

### **9.405-2 [Amended]**

21. Amend section 9.405-2 by removing from paragraph (b) "\$30,000" and adding "\$35,000" in their places (twice).

### **9.406-2 [Amended]**

22. Amend section 9.406-2 by removing from paragraph (b)(1)(v) "\$3,000" and adding "\$3,500" in its place.

### **9.407-2 [Amended]**

23. Amend section 9.407-2 by removing from paragraph (a)(7) "\$3,000" and adding "\$3,500" in its place.

### **9.409 [Amended]**

24. Amend section 9.409 by removing "\$30,000" and adding "\$35,000" in its place.

#### **PART 10—MARKET RESEARCH**

##### **10.001 [Amended]**

25. Amend section 10.001 by removing from paragraph (d) "\$5 million" and adding "\$6 million" in its place.

##### **10.003 [Amended]**

26. Amend section 10.003 by removing "\$5 million" and adding "\$6 million" in its place.

#### **PART 12—ACQUISITION OF COMMERCIAL ITEMS**

##### **12.102 [Amended]**

27. Amend section 12.102 by removing from the introductory text of paragraph (f)(2) "\$17.5 million" and adding "\$20 million" in its place; and removing paragraph (g).

##### **12.203 [Amended]**

28. Amend section 12.203 by removing "\$6.5 million" and "\$12 million" and adding "\$7 million" and "\$13 million" in their places, respectively.

#### **PART 13—SIMPLIFIED ACQUISITION PROCEDURES**

##### **13.000 [Amended]**

29. Amend section 13.000 by removing "\$6.5 million" and "\$12 million" and adding "\$7 million" and "\$13 million" in their places, respectively.

**13.003 [Amended]**

30. Amend section 13.003 by:

a. Removing from paragraph (b) (1) "\$3,000", "\$15,000", and "\$300,000" and adding "\$3,500", "\$20,000" and "\$350,000" in their places, respectively;

b. Removing from paragraph (c) (1) (ii) "\$6.5 million" and "\$12 million" and adding "\$7 million" and "\$13 million" in their places, respectively; and

c. Removing from paragraph (g) (2) "\$6.5 million" and "\$12 million" and adding "\$7 million" and "\$13 million" in their places, respectively.

**13.005 [Amended]**

31. Amend section 13.005 by removing from paragraph (a) (2) "\$30,000" and adding "\$35,000" in its place.

**13.106-1 [Amended]**

32. Amend section 13.106-1 by removing from paragraphs (c) (2) and (d) "\$30,000" and adding "\$25,000" in their places.

**13.201 [Amended]**

33. Amend section 13.201 by removing from paragraph (g) (1) (i) "\$15,000" and adding "\$20,000" in its place.

**13.303-5 [Amended]**

34. Amend section 13.303-5 by:



a. Removing from paragraph (b) (1) "\$6.5 million" and "\$12 million" and adding "\$7 million" and "\$13 million" in their places, respectively; and

b. Removing from paragraph (b) (2) "\$6.5 million" and "\$12 million" and adding "\$7 million" and "\$13 million" in their places, respectively.

**13.402 [Amended]**

35. Amend section 13.402 by removing from paragraph (a) "\$30,000" and adding "\$35,000" in its place.

**13.500 [Amended]**

36. Amend section 13.500 by—

a. Removing from paragraph (a) "\$6.5 million" and "\$12 million" and adding "\$7 million" and "\$13 million" in their places, respectively; and

b. Removing from the introductory text of paragraph (e) "\$12 million" and adding "\$13 million" in its place.

**13.501 [Amended]**

37. Amend section 13.501 by:

a. Removing from paragraph (a) (2) (i) "\$650,000" and adding "\$700,000" in its place;

b. Removing from paragraph (a) (2) (ii) "\$650,000" and "\$12.5 million" and adding "\$700,000" and "\$14 million" in their places, respectively;

c. Removing from paragraph (a)(2)(iii) "\$12.5 million", "\$62.5 million", and "\$85.5 million" and adding "\$14 million", "\$70 million", and "\$95.5 million" in their places, respectively; and

d. Removing from paragraph (a)(2)(iv) "\$62.5 million" and "\$85.5 million" and adding "\$70 million" and "\$95.5 million" in their places, respectively.

#### **PART 15—CONTRACTING BY NEGOTIATION**

##### **15.403-1 [Amended]**

38. Amend section 15.403-1 by removing from paragraph (c)(3)(iv) "\$17.5 million" and adding "\$20 million" in its place.

##### **15.403-4 [Amended]**

39. Amend section 15.403-4 by removing from the introductory text of paragraph (a)(1) and paragraph (a)(1)(iii) "\$700,000" and adding "\$750,000" in its place.

##### **15.404-3 [Amended]**

40. Amend section 15.404-3 by removing from paragraph (c)(1)(i) "\$12.5 million" and adding "\$14 million" in its place.

##### **15.407-2 [Amended]**

41. Amend section 15.407-2 by removing from paragraph (c)(1) and the introductory text of paragraph (c)(2) "\$12.5 million" and adding "\$14 million" in their places.

**15.408 [Amended]**

42. Amend section 15.408 in Table 15-2, "II. Cost Elements" which follows paragraph (n)(2)(iii), by removing from paragraph "A(2)" "\$12.5 million" and adding "\$14 million" in its place.

**PART 16—TYPES OF CONTRACTS**

**16.503 [Amended]**

43. Amend section 16.503 by removing from paragraph (b)(2) "\$103 million" and adding "\$115 million" in its place; and removing from paragraph (d)(1) "\$12.5 million" and adding "\$14 million" in its place.

**16.504 [Amended]**

44. Amend section 16.504 by:

a. Removing from the introductory text of paragraph (c)(1)(ii)(D)(1) "\$103 million" and adding "\$115 million" in its place;

b. Removing from the introductory text of paragraph (c)(1)(ii)(D)(3) "\$103 million" and adding "\$115 million" in its place; and removing from the end of the paragraph the colon and adding an em dash in its place;

c. Removing from the end of paragraph (c)(1)(ii)(D)(3)(i) the period and adding "; and" in its place; and

d. Removing from the introductory text of paragraph (c)(2)(i) "\$12.5 million" and adding "\$14 million" in its place.

**16.505 [Amended]**

45. Amend section 16.505 by:

a. Removing from the introductory text of paragraph (a)(4)(iii)(A) "\$25,000" and adding "\$30,000" in its place;

b. Removing from paragraph (b)(1)(i) "\$3,000" and adding "\$3,500" in its place;

c. Removing from the paragraph (b)(1)(iv) "\$5 million" and "\$5 million" and adding "\$5.5 million" and "\$5.5 million" in their places, respectively;

d. Removing from paragraph (b)(2)(i) "\$3,000" and adding "\$3,500" in its place;

e. Removing from the heading of paragraph (b)(2)(ii)(A) "\$3,000" and adding "\$3,500" in its place;

f. Removing from the paragraph (b)(2)(ii)(C)(1) "\$650,000" and adding "\$700,000" in its place;

g. Removing from paragraph (b)(2)(ii)(C)(2) "\$650,000" and "\$12.5 million" and adding "\$700,000" and "14 million" in their places, respectively;

h. Removing from paragraph (b)(2)(ii)(C)(3) "\$12.5 million", "\$62.5 million", and "\$85.5 million" and adding

"14 million", "70 million", and "95.5 million" in their places, respectively;

i. Removing from paragraph (b)(2)(ii)(C)(4) "\$62.5 million" and "\$85.5 million" and adding "70 million" and "95.5 million" in their places, respectively; and

j. Removing from the heading of paragraph (b)(6) "\$5 million" and adding "\$5.5 million" in its place; and removing from the introductory text "\$5 million" and adding "\$5.5 million" in its place.

**16.506 [Amended]**

46. Amend section 16.506 by removing from paragraphs (f) and (g) "\$12.5 million" and adding "\$14 million" in their places; and removing from paragraph (h) "\$5 million" and adding "\$6 million" in its place.

**PART 17—SPECIAL CONTRACTING METHODS**

**17.108 [Amended]**

47. Amend section 17.108 by removing from paragraph (a) "\$12.5 million" and adding "\$14 million" in its place; and removing from paragraph (b) "\$125 million" and adding "\$139.5 million" in its place.

**17.500 [Amended]**

48. Amend section 17.500 by removing from paragraph (c)(2) "\$500,000" and adding "\$550,000" in its place.

**PART 19—SMALL BUSINESS PROGRAMS**

**19.203 [Amended]**

49. Amend section 19.203 by removing from paragraph (b) "\$3,000", "\$15,000", and "\$300,000" and adding "\$3,500", "\$20,000", and "\$350,000" in their places, respectively.

**19.502-1 [Amended]**

50. Amend section 19.502-1 by removing from paragraph (b) "\$3,000" and "\$15,000" and adding "\$3,500" and "\$20,000" in their places, respectively.

**19.502-2 [Amended]**

51. Amend section 19.502-2 by:

a. Removing from paragraph (a) "\$3,000", "\$15,000", and "\$300,000" and adding "\$3,500", "\$20,000", and "\$350,000" in their places, respectively; and

b. Removing from the end of paragraph (b) "that:" and adding "that—" in its place.

**19.702 [Amended]**

52. Amend section 19.702 by removing from paragraphs (a) (1) and (2) "\$650,000" and adding "\$700,000" in their places.

**19.704 [Amended]**

53. Amend section 19.704 by removing from paragraph (a) (9) "\$650,000" and adding "\$700,000" in its place.

**19.708 [Amended]**

54. Amend section 19.708 by removing from paragraph (b) (1) "\$650,000" and adding "\$700,000" in its place.

**19.805-1 [Amended]**

55. Amend section 19.805-1 by removing from paragraph (a) (2) "\$6.5 million" and adding "\$7 million" in its place.

**19.808-1 [Amended]**

56. Amend section 19.808-1 by removing from paragraph (a) "\$20 million" and adding "\$22.5 million" in its place.

**19.1306 [Amended]**

57. Amend section 19.1306 by removing from paragraph (a) (2) (i) "\$6.5 million" and adding "\$7 million" in its place.

**19.1406 [Amended]**

58. Amend section 19.1406 by removing from paragraph (a) (2) (i) "\$6 million" and adding "\$6.5 million" in its place; and removing from paragraph (a) (2) (ii) "\$3.5 million" and adding "\$4 million" in its place.

**PART 22—APPLICATION OF LABOR LAWS TO GOVERNMENT**

**22.1103 [Amended]**

59. Amend section 22.1103 by removing "\$650,000" and adding "\$700,000" in its place.

**22.1303 [Amended]**

60. Amend section 22.1303 by removing from paragraphs (a) and (c) "\$100,000" and adding "\$150,000" in their places.

**22.1310 [Amended]**

61. Amend section 22.1310 by removing from paragraph (a) (1) "\$100,000" and adding "\$150,000" in its place.

**PART 25—FOREIGN ACQUISITION**

**25.703-2 [Amended]**

62. Amend section 25.703-2 by removing from paragraph (a) (2) "\$3,000" and adding "\$3,500" in its place.

**25.703-4 [Amended]**

63. Amend section 25.703-4 by removing from paragraphs (c) (5) (ii), (c) (7) (iii), and (c) (8) (iii) "\$3,000" and adding "\$3,500" in their places.

**PART 26—OTHER SOCIOECONOMIC PROGRAMS**

**26.404 [Amended]**

64. Amend section 26.404 by removing "\$25,000" and adding "\$30,000" in its place.

**PART 28—BONDS AND INSURANCE**

**28.102-1 [Amended]**

65. Amend section 28.102-1 by removing from paragraph (b) (1) "\$30,000" and adding "\$35,000" in its place.

**28.102-2 [Amended]**



66. Amend section 28.102-2 by removing from paragraph (c) "\$30,000" and adding "\$35,000" in its place.

**28.102-3 [Amended]**

67. Amend section 28.102-3 by removing from paragraph (b) "\$30,000" and adding "\$35,000" in its place.

**PART 32—CONTRACT FINANCING**

**32.104 [Amended]**

68. Amend section 32.104 by removing from paragraphs (d)(2)(i) and (ii) "\$2.5 million" and adding "\$3 million" in their places.

**PART 42—CONTRACT ADMINISTRATION AND AUDIT SERVICES**

**42.709 [Amended]**

69. Amend section 42.709 by removing from paragraph (b) "\$700,000" and adding "\$750,000" in its place.

**42.709-6 [Amended]**

70. Amend section 42.709-6 by removing "\$700,000" and adding "\$750,000" in its place.

**42.1502 [Amended]**

71. Amend section 42.1502 by removing from paragraph (e) "\$650,000" and adding "\$700,000" in its place (twice); and removing from paragraph (f) "\$30,000" and adding "\$35,000" in its place (twice).

**PART 50—EXTRAORDINARY CONTRACTUAL ACTIONS AND THE SAFETY ACT**

**50.102-1 [Amended]**

72. Amend section 50.102-1 by removing from paragraph (b) "\$65,000" and adding "\$70,000" in its place.

**50.102-3 [Amended]**

73. Amend section 50.102-3 by removing from paragraph (b)(4) "\$31.5 million" and adding "\$35 million" in its place; and removing from paragraphs (e)(1)(i) and (ii) "\$65,000" and adding "\$70,000" in their places.

**PART 52-SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

74. Amend section 52.203-13 by revising the date of clause; and removing from paragraph (d)(1) "\$5,000,000" and adding "\$5.5 million" in its place.

The revised text reads as follows:

**52.203-13 Contractor Code of Business Ethics and Conduct**

\* \* \* \* \*

CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (DATE)

\* \* \* \* \*

75. Amend section 52.203-14 by revising the date of the clause; and removing from the introductory text of paragraph (d) "\$5,000,000" and adding "\$5.5 million" in its place.

The revised text reads as follows:

**52.203-14 Display of Hotline Poster(s).**

\* \* \* \* \*

DISPLAY OF HOTLINE POSTER(S) (DATE)

\* \* \* \* \*

76. Amend section 52.204-10 by revising the date of the clause; removing from paragraphs (d)(2) and (3) "\$25,000" and adding "\$30,000" in their places; and revising paragraph (e).

The revised text reads as follows:

**52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards.**

\* \* \* \* \*

REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS  
(DATE)

\* \* \* \* \*

(e) The Contractor shall not split or break down first-tier subcontract awards to a value less than \$30,000 to avoid the reporting requirements in paragraph (d) of this clause.

\* \* \* \* \*

77. Amend section 52.209-5 by revising the date of the provision; and removing from paragraph (a)(1)(i)(D) "\$3,000" and adding "\$3,500" in its place.

The revised text reads as follows:

**52.209-5 Certification Regarding Responsibility Matters.**

\* \* \* \* \*

CERTIFICATION REGARDING RESPONSIBILITY MATTERS (DATE)

\* \* \* \* \*

78. Amend section 52.209-6 by revising the date of the clause; and removing from paragraphs (b), (c), and (e) (1) "\$30,000" and adding "\$35,000" in their places.

The revised text reads as follows:

**52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.**

\* \* \* \* \*

PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS  
DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (**DATE**)

\* \* \* \* \*

79. Amend section 52.212-1 by revising the date of the provision; and removing from paragraph (j) "\$3,000" and adding "\$3,500" in its place (twice).

The revised text reads as follows:

**52.212-1 Instructions to Offerors—Commercial Items.**

\* \* \* \* \*

INSTRUCTIONS TO OFFERORS—COMMERCIAL ITEMS (**DATE**)

\* \* \* \* \*

80. Amend section 52.212-3 by revising the date of the provision; and removing from paragraphs (h) (4) and (o) (2) (iii) "\$3,000" and adding "\$3,500" in their places.

The revised text reads as follows:

**52.212-3 Offeror Representations and Certifications—  
Commercial Items.**

\* \* \* \* \*

OFFEROR REPRESENTATIONS AND CERTIFICATIONS—COMMERCIAL ITEMS (**DATE**)

\* \* \* \* \*

81. Amend section 52.212-5 by—

- a. Revising the date of the clause;
- b. Revising paragraphs (b) (2), (b) (4), (b) (8), (b) (17) (i), adding paragraph (b) (17) (iv), and revising paragraphs (b) (29), (b) (31), and (b) (33);
- c. Revising paragraph (c) (8);
- d. Revising paragraph (e) (1) (i);
- e. Removing from paragraph (e) (1) (ii) "\$650,000" and adding "\$700,000" in its place;
- f. Revising paragraphs (e) (1) (v), (vii), (xiii), and (xv); and
- g. Amending Alternate II by revising the date of Alternate II and paragraphs (e) (1) (ii) (A), (C), (E), (L) and (M).

The revisions read as follows:

**52.212-5 Contract Terms and Conditions Required to  
Implement Statutes or Executive Orders—Commercial Items.**

\* \* \* \* \*

CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE  
ORDERS—COMMERCIAL ITEMS (DATE)

\* \* \* \* \*

(b) \* \* \*

\_\_\_ (2) 52.203-13, Contractor Code of Business  
Ethics and Conduct (DATE) (41 U.S.C. 3509).

\* \* \* \* \*

\_\_\_ (4) 52.204-10, Reporting Executive Compensation  
and First-Tier Subcontract Awards (DATE) (Pub. L. 109-282)  
(31 U.S.C. 6101 note).

\* \* \* \* \*

\_\_\_ (8) 52.209-6, Protecting the Government's  
Interest When Subcontracting with Contractors Debarred,  
Suspended, or Proposed for Debarment. (DATE) (31 U.S.C. 6101  
note).

\* \* \* \* \*

\_\_\_ (17)(i) 52.219-9, Small Business Subcontracting  
Plan (DATE) (15 U.S.C. 637(d)(4)).

\* \* \* \* \*

(iv) Alternate III (DATE) of 52.219-9.

\* \* \* \* \*

\_\_\_ (29) 52.222-35, Equal Opportunity for Veterans  
(DATE) (38 U.S.C. 4212).

\* \* \* \* \*

\_\_\_ (31) 52.222-37, Employment Reports on Veterans  
(DATE) (38 U.S.C. 4212).

\* \* \* \* \*

\_\_\_ (33) 52.222-54, Employment Eligibility  
Verification (DATE). (Executive Order 12989). (Not  
applicable to the acquisition of commercially available

off-the-shelf items or certain other types of commercial items as prescribed in 22.1803.)

\* \* \* \* \*

(c) \* \* \*

(8) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (DATE) (42 U.S.C. 1792).

\* \* \* \* \*

(e) (1) \* \* \*

(i) 52.203-13, Contractor Code of Business Ethics and Conduct (DATE) (41 U.S.C. 3509).

\* \* \* \* \*

(v) 52.222-35, Equal Opportunity for Veterans (DATE) (38 U.S.C. 4212).

\* \* \* \* \*

(vii) 52.222-37, Employment Reports on Veterans (DATE) (38 U.S.C. 4212).

\* \* \* \* \*

(xiii) 52.222-54, Employment Eligibility Verification (DATE) (Executive Order 12989).

\* \* \* \* \*

(xv) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (DATE) (42 U.S.C. 1792). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.

\* \* \* \* \*

Alternate II (DATE). \* \* \*

\* \* \* \* \*

(e) (1) \* \* \*

(ii) \* \* \*

(A) 52.203-13, Contractor Code of Business Ethics and Conduct (**DATE**) (41 U.S.C. 3509).

\* \* \* \* \*

(C) 52.219-8, Utilization of Small Business Concerns (**DATE**) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$700,000 (\$1.5 million for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

\* \* \* \* \*

(E) 52.222-35, Equal Opportunity for Veterans (**DATE**) (38 U.S.C. 4212).

\* \* \* \* \*

(L) Employment Eligibility Verification (**DATE**) (Executive Order 12989).

(M) 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations. (**DATE**) (42 U.S.C. 1792). Flow down required in accordance with paragraph (e) of FAR clause 52.226-6.

\* \* \* \* \*

82. Amend section 52.213-4 by—

- a. Revising the date of the clause; and
- b. Revising paragraphs (a)(2)(viii), (b)(1)(i), (iv), (vi), (xi), and (b)(2)(i).

The revised text reads as follows:

**52.213-4 Terms and Conditions-Simplified Acquisitions (Other Than Commercial Items).**



\* \* \* \* \*

TERMS AND CONDITIONS—SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL  
ITEMS) (**DATE**)

(a) \* \* \*

(2) \* \* \*

(viii) 52.244-6, Subcontracts for Commercial  
Items (**DATE**).

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(i) 52.204-10, Reporting Executive Compensation  
and First-Tier Subcontract Awards (**DATE**) (Pub. L. 109-282)  
(31 U.S.C. 6101 note) (Applies to contracts valued at  
\$30,000 or more).

\* \* \* \* \*

(iv) 52.222-35, Equal Opportunity for Veterans  
(**DATE**) (38 U.S.C. 4212) (applies to contracts of \$150,000 or  
more).

\* \* \* \* \*

(vi) 52.222-37, Employment Reports on Veterans  
(**DATE**) (38 U.S.C. 4212) (applies to contracts of \$150,000 or  
more).

\* \* \* \* \*

(xi) 52.226-6, Promoting Excess Food Donation to  
Nonprofit Organizations (**DATE**) (42 U.S.C. 1792) (Applies to  
contracts greater than \$30,000 that provide for the  
provision, the service, or the sale of food in the United  
States).

\* \* \* \* \*

(2) \* \* \*

(i) 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (**DATE**) (Applies to contracts over \$35,000).

\* \* \* \* \*

83. Amend section 52.219-9 by—

- a. Revising the date of the clause;
- b. Removing from paragraph (d)(9) and paragraph (1)(2)(i)(C) "\$650,000" and adding "\$700,000" in their places;
- c. Amend Alternate III by—
  1. Revising the date of Alternate III;
  2. Removing from paragraph (1)(2)(C) "\$550,000" and "\$1,000,000" and adding "\$700,000" and "\$1.5 million" in their places, respectively.

The revised text reads as follows:

**52.219-9 Small Business Subcontracting Plan.**

\* \* \* \* \*

SMALL BUSINESS SUBCONTRACTING PLAN (**DATE**)

\* \* \* \* \*

Alternate III (**DATE**). \* \* \*

\* \* \* \* \*

84. Amend section 52.222-35 by revising the date of the clause; and removing from paragraph (c) "\$100,000" and adding "\$150,000" in its place.

The revised text reads as follows:

**52.222-35 Equal Opportunity for Veterans.**

\* \* \* \* \*

EQUAL OPPORTUNITY FOR VETERANS (**DATE**)

\* \* \* \* \*

85. Amend section 52.222-37 by revising the date of the clause; and removing from paragraph (g) "\$100,000" and adding "\$150,000" in its place. The revised text reads as follows:

**52.222-37 Employment Reports on Veterans.**

\* \* \* \* \*

EMPLOYMENT REPORTS ON VETERANS (**DATE**)

\* \* \* \* \*

86. Amend section 52.222-54 by revising the date of the clause; and removing from paragraph (e)(2) "\$3,000" and adding "\$3,500" in its place. The revised text reads as follows:

**52.222-54 Employment Eligibility Verification.**

\* \* \* \* \*

EMPLOYMENT ELIGIBILITY VERIFICATION (**DATE**)

\* \* \* \* \*

87. Amend section 52.225-25 by revising the date of the provision; and removing from paragraph (c) (3) "\$3,000" and adding "\$3,500" in its place.

The revised text reads as follows:

**52.225-25 Prohibition on Contracting with Entities  
Engaging in Certain Activities or Transactions Relating to  
Iran—Representation and Certifications.**

\* \* \* \* \*

PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN ACTIVITIES OR  
TRANSACTIONS RELATING TO IRAN—REPRESENTATION AND CERTIFICATIONS (**DATE**)

\* \* \* \* \*

88. Amend section 52.226-6 by revising the date of the clause; and removing from paragraph (e) "\$25,000" and adding "\$30,000" in its place.

The revised text reads as follows:

**52.226-6 Promoting Excess Food Donation to Nonprofit  
Organizations.**

\* \* \* \* \*

PROMOTING EXCESS FOOD DONATION TO NONPROFIT ORGANIZATIONS (**DATE**)

\* \* \* \* \*

89. Amend section 52.244-6 by—

- a. Revising the date of the clause;
- b. Revising paragraph (c) (1) (i);

c. Removing from paragraph (c)(1)(iii) "\$650,000" and adding "\$700,000" in its place; and

d. Revising paragraphs (c)(1)(v) and (vii).

The revised text reads as follows:

**52.244-6 Subcontracts for Commercial Items.**

\* \* \* \* \*

SUBCONTRACTS FOR COMMERCIAL ITEMS (**DATE**)

\* \* \* \* \*

(c)(1) \* \* \*

(i) 52.203-13, Contractor Code of Business Ethics and Conduct (**DATE**) (41 U.S.C. 3509), if the subcontract exceeds \$5.5 million and has a performance period of more than 120 days. In altering this clause to identify the appropriate parties, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the agency Office of the Inspector General, with a copy to the Contracting Officer.

\* \* \* \* \*

(v) 52.222-35, Equal Opportunity for Veterans (**DATE**) (38 U.S.C. 4212(a));

\* \* \* \* \*

(vii) 52.222-37, Employment Reports on Veterans (**DATE**) (38 U.S.C. 4212).

\* \* \* \* \*

90. Amend section 52.248-3 by revising the date of the clause; and removing from paragraph (h) "\$65,000" and adding "\$70,000" in its place. The revised text reads as follows:

**52.248-3 Value Engineering-Construction.**

\* \* \* \* \*

VALUE ENGINEERING-CONSTRUCTION (**DATE**)

\* \* \* \* \*

**PART 53—FORMS**

**53.301-294 Subcontracting Report for Individual Contracts.**

91. Revise section 53.301-294 to read as follows:

<b>SUBCONTRACTING REPORT FOR INDIVIDUAL CONTRACTS</b> <i>(See instructions on reverse)</i>				<b>OMB Control Number: 9000-0006</b> <b>Expiration Date: 04/30/2016</b>	
Public reporting burden for this collection of information is estimated to average 55.34 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Acquisition Policy Division, Regulatory Secretariat, GSA, Washington, DC 20405.					
<b>1. CORPORATION, COMPANY, OR SUBDIVISION COVERED</b>				<b>3. DATE SUBMITTED</b>	
<b>a. COMPANY NAME</b>				<b>4. REPORTING PERIOD FROM INCEPTION OF CONTRACT THRU:</b>	
<b>b. STREET ADDRESS</b>				<input type="checkbox"/> MAR 31 <input type="checkbox"/> SEPT 30 <b>YEAR</b>	
<b>c. CITY</b>		<b>d. STATE</b>		<b>e. ZIP CODE</b>	
<b>2. CONTRACTOR IDENTIFICATION NUMBER</b>				<b>5. TYPE OF REPORT</b>	
<input type="checkbox"/> REGULAR <input type="checkbox"/> FINAL <input type="checkbox"/> REVISED					
<b>6. ADMINISTERING ACTIVITY (Please check applicable box)</b>					
<input type="checkbox"/> ARMY <input type="checkbox"/> NAVY <input type="checkbox"/> AIR FORCE		<input type="checkbox"/> GSA <input type="checkbox"/> DOE <input type="checkbox"/> DEFENSE CONTRACT MANAGEMENT AGENCY		<input type="checkbox"/> NASA <input type="checkbox"/> OTHER FEDERAL AGENCY (Specify)	
<b>7. REPORT SUBMITTED AS (Check one and provide appropriate number)</b>				<b>8. AGENCY OR CONTRACTOR AWARDING CONTRACT</b>	
<input type="checkbox"/> PRIME CONTRACTOR		<b>PRIME CONTRACT NUMBER</b>		<b>a. AGENCY'S OR CONTRACTOR'S NAME</b>	
<input type="checkbox"/> SUBCONTRACTOR		<b>SUBCONTRACT NUMBER</b>		<b>b. STREET ADDRESS</b>	
<b>9. DOLLARS AND PERCENTAGES IN THE FOLLOWING BLOCKS:</b>				<b>c. CITY</b>	
<input type="checkbox"/> DO INCLUDE INDIRECT COSTS <input type="checkbox"/> DO NOT INCLUDE INDIRECT COSTS				<b>d. STATE</b>	
<b>e. ZIP CODE</b>					
<b>SUBCONTRACT AWARDS</b>					
TYPE		CURRENT GOAL		ACTUAL CUMULATIVE	
		WHOLE DOLLARS	PERCENT	WHOLE DOLLARS	PERCENT
10a. SMALL BUSINESS CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)					
10b. LARGE BUSINESS CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)					
10c. TOTAL (Sum of 10a and 10b.)			100.0%		100.0%
11. SMALL DISADVANTAGED BUSINESS (SDB) CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)					
12. WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)					
13. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) AND MINORITY INSTITUTIONS (MI) (If applicable) (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)					
14. HUBZone SMALL BUSINESS (HUBZone SB) CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)					
15. VETERAN-OWNED SMALL BUSINESS CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)					
16. SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS (Dollar Amount and Percent of 10c.) (SEE SPECIFIC INSTRUCTIONS)					
17. ALASKA NATIVE CORPORATIONS (ANCs) AND INDIAN TRIBES THAT HAVE NOT BEEN CERTIFIED BY THE SMALL BUSINESS ADMINISTRATION AS SMALL DISADVANTAGED BUSINESSES (Dollar Amount) (SEE SPECIFIC INSTRUCTIONS)					
18. ALASKA NATIVE CORPORATIONS (ANCs) AND INDIAN TRIBES THAT ARE NOT SMALL BUSINESSES (Dollar Amount) (SEE SPECIFIC INSTRUCTIONS)					

Previous Edition is Not Usable

**STANDARD FORM 294 (REV. 10/2014)**  
 Prescribed by GSA-FAR (48 CFR 53.219(a))

19. REMARKS

20a. NAME OF INDIVIDUAL ADMINISTERING SUBCONTRACTING PLAN

20b. TELEPHONE NUMBER

AREA CODE

NUMBER

STANDARD FORM 294 (REV. 10/2014) PAGE 2



#### GENERAL INSTRUCTIONS

1. This report is not required for small businesses.
2. This report is not required for commercial items for which a commercial plan has been approved, nor from large businesses in the Department of Defense (DOD) Test Program for Negotiation of Comprehensive Subcontracting plans. The Summary Subcontract Report (SSR) is required for contractors operating under one of these two conditions and should be submitted to the Government in accordance with the instructions on that form.
3. This form collects subcontract award data from prime contractors/ subcontractors that : (a) hold one or more contracts over \$700,000 (over \$1,500,000 for construction of a public facility); and (b) are required to report subcontracts awarded to Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUBZone Small Business (HUBZone SB), Veteran-Owned Small Business (VOSB) and Service-Disabled Veteran-Owned Small Business concerns under a subcontracting plan. For the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), and the Coast Guard, this form also collects subcontract award data for Historically Black Colleges and Universities (HBCUs) and Minority Institutions (MIs).
4. This report is required for each contract containing a subcontracting plan and must be submitted to the administrative contracting officer (ACO) or contracting officer if no ACO is assigned, semi-annually, during contract performance for the periods ended March 31st and September 30th. A separate report is required for each contract at contract completion. Reports are due 30 days after the close of each reporting period unless otherwise directed by the contracting officer. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the contract or since the previous report.
5. Only subcontracts involving performance in the United States or its outlying areas should be included in this report with the exception of subcontracts under a contract awarded by the State Department or any other agency that has statutory or regulatory authority to require subcontracting plans for subcontracts performed outside the United States and its outlying areas.
6. Purchases from a corporation, company, or subdivision that is an affiliate of the prime/subcontractor are not included in this report.
7. Subcontract award data reported on this form by prime contractors/ subcontractors shall be limited to awards made to their immediate subcontractors. Credit cannot be taken for awards made to lower tier subcontractors unless you have been designated to receive an SB and SDB credit from an Alaska Native Corporation (ANC) or Indian tribe.
8. FAR 19.703 sets forth the eligibility requirements for participating in the subcontracting program.
9. Actual achievements must be reported on the same basis as the goals set forth in the contract. For example, if goals in the plan do not include indirect and overhead items, the achievements shown on this report should not include them either.

#### SPECIFIC INSTRUCTIONS

**BLOCK 2:** For the Contractor Identification Number, enter the nine-digit Data Universal Numbering System (DUNS) number that identifies the specific contractor establishment. If there is no DUNS number available that identifies the exact name and address entered in Block 1, contact Dun and Bradstreet Information Services at 1-866-705-5711 or via the Internet at <http://www.dnb.com>. The contractor should be prepared to provide the following information: (i) Company legal business name. (ii) Tradestyle, doing business, or other name by which your entity is commonly recognized. (iii) Company physical street address, city, state and ZIP Code. (iv) Company mailing address, city, state and ZIP Code (if separate from physical). (v) Company telephone number. (vi) Date the company was started. (vii) Number of employees at your location. (viii) Chief executive officer/key manager. (ix) Line of business (industry). (x) Company Headquarters name and address (reporting relationship within your entity).

**BLOCK 4:** Check only one. Note that all subcontract award data reported on this form represents activity since the inception of the contract through the date indicated on this block.

**BLOCK 5:** Check whether this report is a "Regular," "Final," and/or "Revised" report. A "Final" report should be checked only if the contractor has completed the contract or subcontract reported in Block 7. A "Revised" report is a change to a report previously submitted for the same period.

**BLOCK 6:** Identify the department or agency administering the majority of subcontracting plans.

**BLOCK 7:** Indicate whether the reporting contractor is submitting this report as a prime contractor or subcontractor and the prime contract or subcontract number.

**BLOCK 8:** Enter the name and address of the Federal department or agency awarding the contract or the prime contractor awarding the subcontract.

**BLOCK 9:** Check the appropriate block to indicate whether indirect costs are included in the dollar amounts in blocks 10a through 16. To ensure comparability between the goal and actual columns, the contractor may include indirect costs in the actual column only if the subcontracting plan included indirect costs in the goal.

**BLOCKS 10a through 18:** Under "Current Goal," enter the dollar and percent goals in each category (SB, SDB, WOSB, VOSB, service-disabled VOSB, and HUBZone SB) from the subcontracting plan approved for this contract. (If the original goals agreed upon at contract award have been revised as a result of contract modifications, enter the original goals in Block 19. The amounts entered in Blocks 10a through 16 should reflect the revised goals.) There are no goals for Blocks 17 and 18. Under "Actual Cumulative," enter actual subcontract achievements (dollars and percent) from the inception of the contract through the date of the report shown in Block 4. In cases where indirect costs are included, the amounts should include both direct awards and an appropriate prorated portion of indirect awards. However, the dollar amounts reported under "Actual Cumulative" must be for the same period of time as the dollar amounts shown under "Current Goal." For a contract with options, the current goal should represent the aggregate goal since the inception of the contract. For example, if the contractor is submitting the report during Option 2 of a multiple year contract, the current goal would be the cumulative goal for the base period plus the goal for Option 1 and the goal for Option 2.

**BLOCK 10a:** Report all subcontracts awarded to SBs including subcontracts to SDBs, WOSB, VOSB, service-disabled VOSB, and HUBZone SBs. For DOD, NASA, and Coast Guard contracts, include subcontracting awards to HBCUs and MIs. Include subcontracts awarded to ANCs and Indian tribes that are not small businesses and that are not certified by the SBA as SDBs where you have been designated to receive their SB and SDB credit. Where your company and other companies have been designated by an ANC or Indian tribe to receive SB and SDB credit for a subcontract awarded to the ANC or Indian tribe, report only the portion of the total amount of the subcontract that has been designated to your company.

**BLOCK 10b:** Report all subcontracts awarded to large businesses (LBs) and any other-than-small businesses. Do not include subcontracts awarded to ANCs and Indian tribes that have been reported in 10a above.

**BLOCK 10c:** Report on this line the total of all subcontracts awarded under this contract (the sum of lines 10a and 10b).

**BLOCKS 11 - 16:** Each of these items is a subcategory of Block 10a. Note that in some cases the same dollars may be reported in more than one block (e.g., SDBs owned by women or veterans).

**BLOCK 11:** Report all subcontracts awarded to SDBs (including WOSB, VOSB, service-disabled VOSBs, and HUBZone SB SDBs). Include subcontracts awarded to ANCs and Indian tribes that have not been certified by SBA as SDBs where you have been designated to receive their SDB credit. Where your company and other companies have been designated by an ANC or Indian tribe to receive their SDB credit for a subcontract awarded to the ANC or Indian tribe, report only the portion of the total amount of the subcontract that has been designated to your company. For DoD, NASA, and Coast Guard contracts, include subcontracting awards to HBCUs and MIs.

**BLOCK 12:** Report all subcontracts awarded to WOSBs (including SDBs, VOSBs (including service-disabled VOSBs), and HUBZone SBs that are also WOSBs).

**BLOCK 13:** (For contracts with DoD, NASA, and Coast Guard): Report all subcontracts with HBCUs/MIs. Complete the column under "Current Goal" only when the subcontracting plan establishes a goal.

**BLOCK 14:** Report all subcontracts awarded to HUBZone SBs (including WOSBs, VOSBs (including service-disabled VOSBs), and SDBs that are also HUBZone SBs).

**BLOCK 15:** Report all subcontracts awarded to VOSBs including service-disabled VOSBs (and including SDBs, WOSBs, and HUBZone SBs that are also VOSBs).

**BLOCK 16:** Report all subcontracts awarded to service-disabled VOSBs (including SDBs, WOSBs, and HUBZone SBs that are also service-disabled VOSBs).

**BLOCK 17:** Report all subcontracts awarded to ANCs and Indian tribes that are reported in Block 11, but have not been certified by SBA as SDBs.

**BLOCK 18:** Report all subcontracts awarded to ANCs and Indian tribes that are reported in Block 10a, but are not small businesses.

**BLOCK 19:** Enter a short narrative explanation if (a) SB, SDB, WOSB, VOSB, service-disabled VOSB, or HUBZone SB accomplishments fall below that which would be expected using a straight-line projection of goals through the period of contract performance; or (b) if this is a final report, any one of the six goals were not met.

#### DEFINITIONS

1. Direct Subcontract Awards are those that are identified with the performance of one or more specific Government contract(s).

2. Indirect costs are those which, because of incurrence for common or joint purposes, are not identified with specific Government contracts; these awards are related to Government contract performance but remain for allocation after direct awards have been determined and identified to specific Government contracts.

#### DISTRIBUTION OF THIS REPORT

##### For the Awarding Agency or Contractor:

The original copy of this report should be provided to the contracting officer at the agency or contractor identified in Block 8. For contracts with DOD, a copy should also be provided to the Defense Contract Management Agency (DCMA) at the cognizant Defense Contract Management Area Operations (DCMAO) office.

##### For the Small Business Administration (SBA):

A copy of this report must be provided to the cognizant Commercial Market Representative (CMR) at the time of a compliance review. It is NOT necessary to mail the SF 294 to SBA unless specifically requested by the CMR.

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